

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 7121

BILL NUMBER: SB 360

NOTE PREPARED: Feb 17, 2005

BILL AMENDED: Feb 3, 2005

SUBJECT: Coverage of Surgery for Morbid Obesity.

FIRST AUTHOR: Sen. Miller

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: No Fiscal Impact

Summary of Legislation: (Amended) This bill removes language in the morbid obesity definition that refers to weight guidelines in the Metropolitan Life Insurance table. It prohibits (1) the state employee insurance plan; (2) an insurer that issues an accident and sickness insurance policy; and (3) a health maintenance organization that provides basic health care services; from providing coverage for surgical treatment of morbid obesity for an individual who is less than 19 years of age unless two physicians determine that the surgery is necessary to save the life of the individual.

Effective Date: July 1, 2005.

Explanation of State Expenditures: (Revised) This bill would require the confirming opinion of a second physician that bariatric surgery is necessary to save the life of an individual under 19 years of age. The state offers four benefit plans. All four provide coverage for the surgical treatment of obesity, as required by law. Anthem Blue Cross Blue Shield, administrator of the state employees' traditional health plan, reports that the medical policy for prior approval for bariatric surgery is that approval of the surgical treatment for individuals under the age of 18 is evaluated on a case-by-case basis.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Office of Medicaid Policy and Planning and State Personnel.

Local Agencies Affected:

Information Sources: Melanie Bella, Assistant Secretary, Office of Medicaid Policy and Planning, 317-234-2407; and the presentation of Randy L. Howard, M.D., Senior Medical Director, Anthem Blue Cross Blue Shield to the Commission on Excellence in Health Care, October 27, 2004.

Fiscal Analyst: Bernadette Bartlett, 317-232-9586 and Kathy Norris, 317-234-1360.